



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5007 (Substitute S-2 as reported)
Sponsor: Representative Pat Somerville
House Committee: Transportation
Senate Committee: Transportation

CONTENT

The bill would amend Public Act 51 of 1951, the Michigan Transportation Fund (MTF) law, to do the following:

- Transfer the authority to conduct performance audits of funds received by counties, cities, and villages under the Act from the Department of Treasury to the Michigan Department of Transportation (MDOT).
- Require MDOT to develop audit procedures and reporting requirements by July 1, 2012, and report to the Legislature by August 1, 2012.
- Require the audit procedures to include a review of the road fund balance of a city or village.

Under the Act, in addition to required financial compliance audits, the Department of Treasury must conduct performance audits and make investigations of the disposition of all State funds received by county road commissions, county boards of commissioners, or any other county governmental agency acting as the county road authority, for transportation purposes to determine compliance with the Act's terms and conditions. The Act contains similar provisions applicable to State funds received by cities and villages for transportation purposes. Under the bill, this responsibility would belong to MDOT, and the audits would be optional, rather than mandatory.

Performance audits could be performed at MDOT's discretion or when MDOT received a request from the Speaker of the House of Representatives or the Senate Majority Leader.

The bill would include in the Act's definition of "county road commission" the board of commissioners of a county that dissolved its county road commission.

MCL 247.662 & 247.663

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would result in additional costs to the Department of Transportation depending on the number of performance audits that resulted from the bill. There are 83 county road jurisdictions and 533 city and village jurisdictions.

Date Completed: 6-13-12

Fiscal Analyst: Bill Bowerman